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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

MATTHEW WADE BEASLEY; BEASLEY
LAW GROUP PC; JEFFREY J. JUDD;
CHRISTOPHER R. HUMPHRIES; J&J
CONSULTING SERVICES, INC., an Alaska
Corporation; J&J CONSULTING SERVICES,
INC., a Nevada Corporation; J AND J
PURCHASING LLC; SHANE M. JAGER;
JASON M. JONGEWARD; DENNY
SEYBERT; ROLAND TANNER; LARRY
JEFFERY; JASON A. JENNE; SETH
JOHNSON; CHRISTOPHER M. MADSEN;
RICHARD R. MADSEN; MARK A.
MURPHY; CAMERON ROHNER; AND
WARREN ROSEGREEN;

Defendants; and

THE JUDD IRREVOCABLE TRUST; PAJ
CONSULTING INC; BJ HOLDINGS LLC;
STIRLING CONSULTING, L.L.C.; CJ
INVESTMENTS, LLC; JL2 INVESTMENTS,
LLC; ROCKING HORSE PROPERTIES,
LLC; TRIPLE THREAT BASKETBALL,
LLC; ACAC LLC; ANTHONY MICHAEL
ALBERTO, JR.; and MONTY CREW LLC;

Relief Defendants.

Case No.: 2:22-cv-00612-JCM-EJY

**RESPONSE TO DEFENDANT
CHRISTOPHER MADSEN'S CROSS-
MOTION FOR STAY**

1 Plaintiff Securities and Exchange Commission (the “SEC”) respectfully responds to
2 Defendant Christopher Madsen’s (“Madsen’s”) Cross-Motion for a Stay of All Actions and
3 Proceedings of the Receiver Against Christopher Madsen Pending Final Settlement of this
4 Action (Dkt. No. 530, herein “Cross-Motion” or “Cross Mot.”).

5 On June 27, 2023, counsel for the SEC, the Receiver, and Madsen met and conferred
6 regarding the Receiver’s and Madsen’s pending motions. As part of that conference, the parties
7 agreed to request that the Court postpone or stay ruling on the Receiver’s Motion to Compel, and
8 Madsen’s Cross-Motion, for 30 days to allow the parties to further resolve the issues raised by
9 the motions. To the extent the Court considers the Cross-Motion, or these motions remain
10 unresolved following the suggested postponement, the SEC opposes Madsen’s Cross-Motion, for
11 two reasons.

12 **First**, the motion appears to be premised on a misconception of the status of Madsen’s
13 settlement discussions with the SEC. To be clear, there is no “final” or “executed” settlement
14 between the SEC and Madsen. Madsen made a formal, confidential settlement proposal to the
15 SEC, and both undersigned counsel for the SEC and the SEC’s Regional Director, Tracy Combs,
16 evaluated the proposal. Following this evaluation, counsel for the SEC communicated with
17 additional SEC personnel in Washington, D.C. regarding certain aspects of the proposed
18 settlement framework, and suggested changes to Madsen’s initial proposal. Madsen
19 incorporated the suggested changes and circulated a revised formal settlement proposal. Counsel
20 for the SEC then communicated to counsel for Madsen that the overall framework of the
21 proposed settlement could be recommended to the five-member Commission in Washington,
22 D.C.—following the SEC’s review and analysis of certain calculations and assumptions
23 presented by Madsen in his proposals regarding, *inter alia* (1) the investors who invested through
24 him into the investment scheme as described in the SEC’s Amended Complaint (*see* Dkt. No.
25 118); and (2) the amount of money Madsen received as a result of that scheme.

26 To support the calculations and assumptions in his settlement proposal, Madsen provided
27 to the SEC various bank records and information. In particular, Madsen provided a list of the
28 names of people who invested through him, and a corresponding list of the amounts of money

1 that those people invested and received from the scheme. In addition, on April 13, 2023,
2 Madsen's counsel sent bank statements to counsel for the SEC.

3 Over the past two months, SEC accounting staff have reviewed the bank statements Mr.
4 Madsen provided, which raised some additional questions regarding the assumptions in
5 Madsen's settlement proposal. Undersigned counsel has discussed these questions with
6 Madsen's counsel, and understands that Madsen will be providing additional supporting
7 documentation. Counsel also understands that the ongoing forensic analysis by the Receiver will
8 be reviewing both Mr. Madsen's accounts and documentation provided by investors who
9 invested through Madsen, and is likely to provide additional context which will be helpful to the
10 SEC's analysis of Madsen's settlement proposal. As set forth in the SEC's recently-filed Motion
11 to Extend Discovery Schedule (*see* Dkt. No. 539), the SEC does not expect to have the results
12 from the Receiver's analysis until at least January 2024, such that there is no imminent
13 settlement agreement that would support Madsen's stay request.

14 ***Second***, the SEC's Motion to Extend Discovery Schedule provides a better path forward
15 towards resolution of the SEC's claims against Madsen and the other defendants. If the Court
16 grants Madsen's Cross Motion, it is likely that it will also be required to rule on similar motions
17 from other defendants, who like Madsen have also provided settlement proposals to the SEC and
18 discussed a framework for resolution of the case. Rather than address each of these motions
19 piecemeal, and potentially create separate tracks for each defendant, the SEC believes that both
20 the parties and the Court would be better served with a universal extension of the current
21 scheduling deadlines that will allow the parties to have the benefit of the Receiver's forensic
22 accounting when addressing settlement proposals.

23 In short, the SEC suggests that the most efficient path forward is for Madsen to comply
24 with the Court's asset freeze and receivership orders and cooperate with the Receiver to ensure
25 no assets are dissipated during the pendency of these proceedings. Meanwhile, the SEC will
26 continue to work with counsel for Madsen to discuss the resolution of this matter and address
27 any further questions that arise following the SEC staff's further review of Madsen's bank
28 statements and the Receiver's own, ongoing analysis of Madsen's and other defendants'

1 accounts. To the extent Madsen or any other defendant believes that a stay of proceedings will
2 help expedite the resolution of this action, the SEC's pending Motion to Extend Discovery
3 Schedule should address those concerns.

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5 Respectfully submitted,

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7 Dated: June 28, 2023

8 /s/ Casey R. Fronk
9 Casey R. Fronk
10 Michael E. Welsh
11 *Attorneys for Plaintiff*
12 *Securities and Exchange Commission*
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CERTIFICATE OF SERVICE

1 I hereby certify that on the 28th day of June, 2023, I caused **RESPONSE TO**
2
3 **DEFENDANT CHRISTOPHER MADSEN'S CROSS-MOTION FOR STAY** to be served to
4 all parties entitled to service through the Court's ECF system and to the following individuals by
5 the means indicated below:

6 *By U.S. Mail, first class, postage prepaid, to:*

7
8 Matthew Wade Beasley and
9 Beasley Law Group PC and
10 PAJ Consulting, Inc. (as Registered Agent)
11 Nevada Southern Detention Center
12 2190 East Mesquite Avenue
13 Pahrump, NV 89060

14 Jason M. Jongeward and
15 JL2 Investments, LLC
16 [REDACTED]
17 Washington, UT [REDACTED]

18 Warren Rosegreen and
19 Triple Threat Basketball, LLC
20 [REDACTED]
21 Henderson, NV [REDACTED]

22 Jeffrey Judd
23 [REDACTED]
24 Henderson, NV [REDACTED]

25 Jason A. Jenne
26 [REDACTED]
27 Las Vegas, NV [REDACTED]

28 Larry Jeffery
[REDACTED]
Laguna Beach, CA [REDACTED]

By email to the following:

Anthony Michael Alberto, Jr. and Monty Crew, LLC
[REDACTED]

1 Dyke Huish
2 Huish Law Firm
3 huishlaw@mac.com
4 *Counsel for Roland Tanner*

5 /s/ Casey R. Fronk
6 Casey R. Fronk

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